

Office of the City Manager

City of Richland Hills, Texas

Memorandum

To: Honorable Mayor Bill Agan and members of the Richland Hills City Council
From: Curtis E. Hawk, City Manager
Date: July 2, 2013
Subject: Rate Increase Request by Allied Waste/Republic

City Council Action Requested:

Consider request by Allied Waste for 1.94% rate increase.

Background Information:

The City of Richland Hills originally entered into a contract with Allied Waste Services, Inc., for city-wide solid waste collection and recycling services in January, 2007. The contract was renewed in January, 2013 for an additional 5-year period. The contract (Section 6. aa) provides that “rates are subject to future market changes to be reviewed annually.” As a matter of practice the Consumer Price Index for urban wage earners and clerical workers in the South Region has been used by Allied Waste and the City as the indicator of the market changes envisioned by the contract.

Allied Waste has requested an increase of 1.94% in its rate schedule, based upon the net CPI increase of 1.94% comparing the 2011 annual against the 2012 annual (see attached). The current rate structure and the proposed rates with the increase are attached on agenda item pages 5A- 6 and 5A- 7, respectively.

Board/Citizen Input:

N/A

Financial Impact:

N/A

Staff Contacts:

Curtis E. Hawk, City Manager
817-616-3806
chawk@richlandhills.com

Attachments:

Letter from Republic Services dated June 25, 2013
CPI Index
BLS Data
Current Rates
Proposed Rates
2013 Commercial Rate Comparison



July 2, 2013
5A - 3



June 25, 2013

Mr. Curtis Hawk
City Manager
City of Richland Hills
3200 Diana Drive
Richland Hills, Texas 76118-6237

Dear Curtis:

Thanks for taking time out of your busy schedule today to meet, it was a pleasure to meet you.

Per our contract we would respectively request an increase of 1.94% effective 8/1/2013. Attached is the CPI calculation, the BLS Data to support the requested increase and a proposed rate sheet.

Just a quick history of the CPI increase request:

- 2009 – Request of 4.15% to Commercial Only
- 2010 – No Request
- 2011 – No Request
- 2012 – Contract renewal & CPI of 3.86% on Agenda dated 4/3/2012

I have also attached the 2012 rate sheet and a commercial rate comparison for your review per our discussion today.

Thanks again for the opportunity to provide service in the City of Richland Hills. Please do not hesitate to contact me if you need any additional information prior to the Council Meeting on July 2nd.

Sincerely,

A handwritten signature in blue ink that reads "Jeri Harwell".

Jeri Harwell
Municipal Services Manager

Consumer Price Index - Urban Wage Earners and Clerical Workers - South Region

<u>All Items</u>	
Annual 2012	221.014
Annual 2011	<u>216.810</u>
Change	<u>4.204</u>
% Change	<u>1.94%</u>
Cost Factor	100.00%
Net Increase	<u><u>1.94%</u></u>



Databases, Tables & Calculators by Subject

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Data extracted on: June 6, 2013 (1:54:31 PM)

Consumer Price Index - Urban Wage Earners and Clerical Workers

Series Id: CWUR0300SA0
 Not Seasonally Adjusted
 Area: South urban
 Item: All items
 Base Period: 1982-84=100

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2003	172.5	173.9	175.0	174.7	174.0	174.3	174.3	174.8	175.3	174.9	174.3	174.2	174.4	174.1	174.6
2004	175.0	175.8	176.7	177.6	178.8	179.7	179.3	179.4	179.7	180.6	180.7	180.3	178.6	177.3	180.0
2005	180.5	181.5	182.7	184.3	184.2	184.7	185.5	186.6	189.8	190.2	188.0	187.2	185.4	183.0	187.9
2006	188.8	188.9	189.9	192.1	192.9	193.5	194.3	194.5	192.9	191.5	191.1	191.8	191.9	191.0	192.7
2007	191.671	192.574	194.734	196.730	198.175	198.838	198.673	198.063	198.873	199.319	200.849	200.850	197.446	195.454	199.438
2008	201.814	202.291	204.044	205.669	207.912	210.469	211.438	210.362	210.572	207.312	201.821	199.399	206.092	205.367	206.817
2009	200.067	201.150	201.737	202.619	203.500	205.968	205.415	205.867	205.726	206.121	206.859	206.716	204.312	202.507	206.117
2010	207.405	207.325	208.621	209.017	208.920	208.640	208.440	208.740	209.155	209.376	209.352	209.994	208.749	208.321	209.176
2011	211.216	212.416	215.272	217.234	218.437	217.722	218.087	218.947	218.787	218.109	218.030	217.463	216.810	215.383	218.237
2012	218.571	220.080	221.792	222.872	221.690	221.077	220.705	222.250	223.497	222.779	221.361	220.975	221.471	221.014	221.928

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www.bls.gov | Telephone: 1-202-691-5200 | TDD: 1-800-877-8339 | [Contact Us](#)

CURRENT RATES

ALLIED WASTE SERVICES
FRANCHISED CITY RATES

CITY OF RICHLAND HILLS

COMMERCIAL FRONT-LOAD RATES
PICKUPS PER WEEK

SIZE	1 X	2 X	3 X	4 X	5 X	6 X	EXTRA
2 YD	42.09	67.85	95.16	120.92	148.24	175.54	14.05
3 YD	58.07	78.09	136.90	177.86	215.72	260.57	16.44
4 YD	78.71	130.22	183.29	236.36	289.42	347.15	21.91
6 YD	93.60	172.44	220.23	300.76	380.99	445.85	32.86
8 YD	122.46	225.50	309.92	397.44	478.74	563.15	43.84

COMMERCIAL ROLLOFF RATES

SIZE	TYPE	DELIVERY	RENTAL PER DAY	HAUL PER LD	DISPOSAL PER LD	TOTAL PER LD	DEPOSIT PER CONT
20 YD	OPEN	71.62	3.41	90.95	153.25	244.20	238.74
25 YD	OPEN	71.62	3.41	90.95	191.56	282.51	238.74
30 YD	OPEN	71.62	3.41	90.95	229.87	320.82	238.74
35 YD	OPEN	71.62	3.41	90.95	268.19	359.14	238.74
40 YD	OPEN	71.62	3.41	90.95	306.50	397.45	238.74
28 YD	COMP	NEGO	NEGO	90.95	284.26	375.21	NEGO
30 YD	COMP	NEGO	NEGO	90.95	304.57	395.52	NEGO
35 YD	COMP	NEGO	NEGO	90.95	355.33	446.28	NEGO
40 YD	COMP	NEGO	NEGO	90.95	406.09	497.04	NEGO
42 YD	COMP	NEGO	NEGO	90.95	426.39	517.34	NEGO

FRANCHISE FEE PERCENTAGE 12.00%

COMMERCIAL HANDLOAD 2 TIMES PER WEEK @ \$28.45 PER MONTH (Limit 4 bags)

CASTERS: /MONTH LOCKS: /PER LIFT

RESIDENTIAL CURBSIDE: /MONTH

RECYCLING CURBSIDE: /MONTH

RESIDENTIAL & RECYCLING CURBSIDE TOTAL: /MONTH

RESIDENTIAL CURBSIDE OVER 4 YARDS: /MONTH

RESIDENTIAL CURBSIDE W/ Recycling Senior Citizen /MONTH

RESIDENTIAL BACKDOOR W/ Recycling: /MONTH

RESIDENTIAL BACKDOOR W/ Recycling Senior Citizen /MONTH

EFFECTIVE DATE: 6/1/2012

CITY HALL PHONE #: 817 / 595-6600

PROPOSED RATES

**ALLIED WASTE SERVICES
FRANCHISED CITY RATES**

CITY OF RICHLAND HILLS

COMMERCIAL FRONT-LOAD RATES

PICKUPS PER WEEK

SIZE	1 X	2 X	3 X	4 X	5 X	6 X	EXTRA
2 YD	43.74	69.16	97.00	123.26	151.11	178.95	14.32
3 YD	59.20	79.61	139.56	181.31	219.91	265.63	16.76
4 YD	80.23	132.74	186.84	240.94	295.04	353.89	22.33
6 YD	95.41	175.79	224.51	306.59	388.38	454.50	33.49
8 YD	124.84	229.87	315.93	405.15	488.02	574.07	44.69

COMMERCIAL ROLLOFF RATES

SIZE	TYPE	DELIVERY	RENTAL PER DAY	HAUL PER LD	DISPOSAL PER LD	TOTAL PER LD	DEPOSIT PER CONT
20 YD	OPEN	73.01	3.48	92.71	156.22	248.94	243.37
25 YD	OPEN	73.01	3.48	92.71	195.28	287.99	243.37
30 YD	OPEN	73.01	3.48	92.71	234.33	327.05	243.37
35 YD	OPEN	73.01	3.48	92.71	273.39	366.10	243.37
40 YD	OPEN	73.01	3.48	92.71	312.45	405.16	243.37
28 YD	COMP	NEGO	NEGO	92.71	289.78	382.49	NEGO
30 YD	COMP	NEGO	NEGO	92.71	310.48	403.19	NEGO
35 YD	COMP	NEGO	NEGO	92.71	362.22	454.94	NEGO
40 YD	COMP	NEGO	NEGO	92.71	413.97	506.68	NEGO
42 YD	COMP	NEGO	NEGO	92.71	434.67	527.38	NEGO

FRANCHISE FEE PERCENTAGE 12.00%

COMMERCIAL HANDLOAD 2 TIMES PER WEEK @ \$ 29.00 PER MONTH (Limit 4 bags)

CASTERS: /MONTH LOCKS: /PER LIFT

RESIDENTIAL CURBSIDE: /MONTH

RECYCLING CURBSIDE: /MONTH

RESIDENTIAL & RECYCLING CURBSIDE TOTAL: **\$11.09** /MONTH

RESIDENTIAL CURBSIDE OVER 4 YARDS: /MONTH

RESIDENTIAL CURBSIDE W/ Recycling Senior Citizen /MONTH

RESIDENTIAL BACKDOOR W/ Recycling: /MONTH

RESIDENTIAL BACKDOOR W/ Recycling Senior Citizen /MONTH

EFFECTIVE DATE: 8/1/2013

CITY HALL PHONE #: 817 / 595-6600

2013 Commercial Rate Comparison

	Bedford	Eules	Hurst	N. Richland Hills	Richland Hills	Watagua
2 yard						
1 times a week	\$ 60.51	54.15	\$ 60.75	\$ 54.62	\$ 42.09	\$ 58.00
2 times a week	\$ 117.73	101.89	\$ 118.22	\$ 102.81	\$ 67.85	\$ 111.67
3 times a week	\$ 176.56	135.68	\$ 177.30	\$ 136.90	\$ 95.16	\$ 175.85
4 times a week	\$ 235.43	197.99	\$ 236.41	\$ 199.76	\$ 120.92	\$ 268.58
5 times a week	\$ 294.30	239.76	\$ 295.52	\$ 241.90	\$ 148.24	\$ 381.87
6 times a week	\$ 353.15	277.51	\$ 354.63	\$ 273.12	\$ 175.54	\$ 518.17
3 yard						
1 times a week	\$ 70.25	76.82	\$ 70.55	\$ 77.51	\$ 58.07	\$ 74.14
2 times a week	\$ 137.24	134.35	\$ 137.81	\$ 135.57	\$ 78.09	\$ 155.76
3 times a week	\$ 205.85	177.47	\$ 206.72	\$ 179.05	\$ 136.90	\$ 245.31
4 times a week	\$ 274.46	236.6	\$ 275.59	\$ 238.73	\$ 177.86	\$ 374.63
5 times a week	\$ 343.07	291.73	\$ 344.50	\$ 294.33	\$ 215.72	\$ 532.71
6 times a week	\$ 411.70	333.8	\$ 413.42	\$ 345.37	\$ 260.57	\$ 722.86
4 yard						
1 times a week	\$ 80.00	92.81	\$ 80.34	\$ 93.64	\$ 78.71	\$ 88.98
2 times a week	\$ 156.76	162.54	\$ 157.41	\$ 164.00	\$ 130.22	\$ 186.90
3 times a week	\$ 235.11	224.29	\$ 236.09	\$ 226.29	\$ 183.29	\$ 294.38
4 times a week	\$ 313.49	292.59	\$ 314.79	\$ 295.21	\$ 236.36	\$ 449.60
5 times a week	\$ 391.85	353.23	\$ 393.50	\$ 356.40	\$ 289.42	\$ 639.23
6 times a week	470.2.6	403.42	\$ 472.22	\$ 426.30	\$ 347.15	\$ 867.44
6 yard						
1 times a week	\$ 99.53	117.56	\$ 99.93	\$ 118.61	\$ 93.60	\$ 116.21
2 times a week	\$ 195.79	222.74	\$ 196.60	\$ 224.74	\$ 172.44	\$ 243.91
3 times a week	\$ 293.65	315.54	\$ 294.88	\$ 318.38	\$ 220.23	\$ 366.71
4 times a week	\$ 391.56	411.45	\$ 393.17	\$ 415.14	\$ 300.76	\$ 613.37
5 times a week	\$ 489.45	508.9	\$ 491.48	\$ 513.45	\$ 380.99	\$ 573.80
6 times a week	\$ 587.33	578.29	\$ 589.80	\$ 607.10	\$ 445.85	\$ 1,051.15
8 yard						
1 times a week	\$ 119.04	136.12	\$ 119.54	\$ 137.34	\$ 122.46	\$ 130.09
2 times a week	\$ 234.81	273.79	\$ 235.80	\$ 276.22	\$ 225.50	\$ 273.19
3 times a week	\$ 352.21	382.06	\$ 353.67	\$ 385.49	\$ 309.92	\$ 410.71
4 times a week	\$ 469.61	484.14	\$ 471.57	\$ 488.48	\$ 397.44	\$ 574.99
5 times a week	\$ 587.02	607.89	\$ 589.46	\$ 613.34	\$ 478.74	\$ 754.67
6 times a week	\$ 704.42	695.25	\$ 707.38	\$ 738.19	\$ 563.15	\$ 177.28